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## FACSIMILE TRANSMITTAL SHEET

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TO:	FROM:
Timothy Duffy, Esq.	Kenneth M. Chiarello
COMPANY:	DATE:
Mason & Duffy, P.C.	February 20, 2006
FAX NUMBER:	TOTAL NO. OF PAGES INCLUDING COVER:
781-337-2266	2
PHONE NUMBER:	SENDER'S REFERENCE NO.:
781-337-0066	

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**Re: ONEBEACON AMERICA INS. CO.**  
**vs. BLUE WATER ENTERPRISES, INC.**  
**Civil Action No: 04-11753-JLT**

Dear Attorney Duffy:

In reference to the above-matter, we have attempted to contact you on numerous occasions during the past month to discuss its future handling, but have not received a response.

Nevertheless, none of the shipyards previously selected by the parties are willing to provide a repair estimate because they cannot commit to performing the work based upon their limited schedules, or have concerns regarding your client. In order to bring this matter to a conclusion, we have requested that the Umpire exercise his authority under the controlling insurance policy, and unilaterally select and engage a shipyard for the sole and limited purpose of preparing and submitting a repair estimate. Although proceeding in this manner will eliminate the concerns previously expressed by the shipyards, it will likely cost an additional \$2,500.00 according to the Umpire. If you have any objections to proceeding in this fashion, please advise the undersigned or the Umpire by or before February 23, 2006.

Additionally, the Umpire has submitted several invoices for services rendered that have not been satisfied and remain outstanding. In the past, the plaintiff agreed to satisfy the defendant's portion (50%) of these charges on the condition that any settlement, award or judgment be reduced by the amount paid by the plaintiff on the defendant's behalf. If you are willing to continue based upon this agreement, then please advise and we will prepare the necessary stipulation for filing.

Finally, it is our understanding that you have settled the claim against the third-party responsible for causing the damage to your client's vessel. We would appreciate receiving a copy of the release at your earliest convenience.

Thank you for your prompt response.

Very truly yours,

*Kenneth M. Chiarello*

cc: James Simonitsch

Via Fax: 207-529-6887